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8 **UNITED STATES DISTRICT COURT**  
9 **CENTRAL DISTRICT OF CALIFORNIA**

10 QUIKSILVER, INC., a Delaware  
11 corporation,

12 Plaintiff,

13 v.  
14 KYMSTA CORP., a California  
15 corporation,

16 Defendant.

17 **AND RELATED**  
18 **COUNTERCLAIMS.**

Case No. CV 02-5497 VBF (RCx)

**JUDGMENT**

On March 12, 2008, the jury returned its verdict in accordance with the Court's instructions as follows:

## “SPECIAL VERDICT FORM

We, the jury in the above-entitled action, find the following special verdict on the questions submitted to us:

## **SECTION 1: QUIKSILVER'S CLAIMS UNDER THE ROXY TRADEMARK**

## First Claim for Relief

## 1. Is ROXXY a valid trademark?

Yes  No

If your answer to Question No. 1 is “Yes” proceed to Question No. 2.

If your answer to Question No. 1 is “No” proceed to Question No. 9.

## 2. Does Quiksilver own the ROXY trademark?

Yes  No

If your answer to Question No. 2 is "Yes" proceed to Question No. 3.

If your answer to Question No. 2 is "No" proceed to Question No. 9.

<sup>3</sup> Did Kymsta use ROXYWEAR without the consent of

Quiksilver in a manner that is likely to cause confusion with Quiksilver's ROXY trademark?

Yes  No

If your answer to Question No. 3 is "Yes" proceed to Question No. 4

If your answer to Question No. 3 is "No" proceed to Question No. 9

4. Did Quiksilver suffer harm as a result of Kymsta's use of  
R?

Yes  No  X

1                   *If your answer to Question No. 4 is "Yes" proceed to Question No. 5.*

2                   *If your answer to Question No. 4 is "No" proceed to Question No. 9.*

3                   5.     Did Kymsta adopt the ROXYWEAR mark without actual or  
4     constructive knowledge of Quiksilver's prior use of ROXY?

5                   Yes                    No \_\_\_\_\_

6                   *If your answer to Question No. 5 is "Yes" proceed to Question No. 6.*

7                   *If your answer to Question No. 5 is "No" proceed to Question No. 9.*

8                   6.     Did Kymsta adopt its ROXYWEAR mark before December 28,  
9     1998?

10                  Yes                    No \_\_\_\_\_

11                  *If your answer to Question No. 6 is "Yes" proceed to Question No. 7.*

12                  *If your answer to Question No. 6 is "No" proceed to Question No. 9.*

13                  7.     Did Kymsta's ROXYWEAR mark have a zone of reputation as  
14     of December 28, 1998 where the ROXYWEAR mark enjoyed recognition?

15                  Yes                    No \_\_\_\_\_

16                  *If your answer to Question No. 7 is "Yes" proceed to Question No. 8.*

17                  *If your answer to Question No. 7 is "No" proceed to Question No. 9.*

18                  8.     Has Kymsta continuously used its ROXYWEAR mark within  
19     that zone of reputation after December 28, 1998?

20                  Yes                    No \_\_\_\_\_

21                  *Proceed to Question No. 9.*

22                  **Second Claim for Relief**

23                  9.     Is ROXY a valid, protectable mark?

24                  Yes                    No \_\_\_\_\_

25                  *If your answer to Question No. 9 is "Yes" proceed to Question No. 10.*

26                  *If your answer to Question No. 9 is "No" proceed to Question No. 13.*

27                  10.    Does Quiksilver own ROXY as a trademark?

28                  Yes                    No \_\_\_\_\_

1                   *If your answer to Question No. 10 is "Yes" proceed to Question No.*

2    11. *If your answer to Question No. 10 is "No" proceed to Question No. 13.*

3                   11. Did Kymsta use the ROXYWEAR mark without the consent of  
4 Quiksilver in a manner that is likely to cause confusion among ordinary purchasers  
5 as to the source, affiliation, connection or association between Kymsta's goods and  
6 Quiksilver or Quiksilver's ROXY products?

7                   Yes                    No \_\_\_\_\_

8                   *If your answer to Question No. 11 is "Yes" proceed to Question No.*

9    13. *If your answer to Question No. 11 is "No" proceed to Question No. 13.*

10                  12. Was Quiksilver harmed by Kymsta's infringement?

11                  Yes \_\_\_\_\_                   No \_\_\_\_\_

12                  *Proceed to Question No. 13.*

13                  **SECTION 2: QUIKSILVER'S CLAIMS UNDER THE QUIKSILVER ROXY**  
14                  **TRADEMARK**

15                  **First Claim for Relief**

16                  13. Is QUIKSILVER ROXY a valid trademark?

17                  Yes                    No \_\_\_\_\_

18                  *If your answer to Question No. 13 is "Yes" proceed to Question No.*

19    14. *If your answer to Question No. 13 is "No" proceed to Question No. 21.*

20                  14. Does Quiksilver own the QUIKSILVER ROXY trademark?

21                  Yes                    No \_\_\_\_\_

22                  *If your answer to Question No. 14 is "Yes" proceed to Question No.*

23    15. *If your answer to Question No. 14 is "No" proceed to Question No. 21.*

24                  15. Did Kymsta use ROXYWEAR without the consent of  
25 Quiksilver in a manner that is likely to cause confusion with Quiksilver's  
26 QUIKSILVER ROXY trademark?

27                  Yes                    No \_\_\_\_\_

1                   *If your answer to Question No. 15 is "Yes" proceed to Question No.*

2    16. *If your answer to Question No. 15 is "No" proceed to Question No. 21.*

3                   16. Did Quiksilver suffer harm as a result of Kymsta's use of  
4 ROXYWEAR?

5                   Yes                          No   X  

6                   *If your answer to Question No. 16 is "Yes" proceed to Question No.*

7    17. *If your answer to Question No. 16 is "No" proceed to Question No. 21.*

8                   17. Did Kymsta adopt the ROXYWEAR mark without actual or  
9 constructive knowledge of Quiksilver's prior use of QUIKSILVER ROXY?

10                  Yes   X                     No       

11                  *If your answer to Question No. 17 is "Yes" proceed to Question No.*

12   18. *If your answer to Question No. 17 is "No" proceed to Question No. 21.*

13                  18. Did Kymsta adopt its ROXYWEAR mark before April 3, 1996?

14                  Yes   X                     No       

15                  *If your answer to Question No. 18 is "Yes" proceed to Question No.*

16   19. *If your answer to Question No. 18 is "No" proceed to Question No. 21.*

17                  19. Did Kymsta's ROXYWEAR mark have a zone of reputation as  
18 of April 3, 1996 where the ROXYWEAR mark enjoyed recognition?

19                  Yes   X                     No       

20                  *If your answer to Question No. 19 is "Yes" proceed to Question No.*

21   20. *If your answer to Question No. 19 is "No" proceed to Question No. 21.*

22                  20. Has Kymsta continuously used the ROXYWEAR mark within  
23 that zone of reputation since April 3, 1996?

24                  Yes   X                     No       

25                  *Proceed to Question No. 21.*

26                  **Second Claim for Relief**

27                  21. Is QUIKSILVER ROXY a valid, protectable mark?

28                  Yes   X                     No

1                   *If your answer to Question No. 21 is "Yes" proceed to Question No.*

2   22. *If your answer to Question No. 21 is "No" proceed to Section 3.*

3                   22. Does Quiksilver own QUIKSILVER ROXY as a trademark?

4                   Yes                    No \_\_\_\_\_

5                   *If your answer to Question No. 22 is "Yes" proceed to Question No.*

6   23. *If your answer to Question No. 22 is "No" proceed to Section 3.*

7                   23. Did Kymsta use the ROXYWEAR mark without the consent of  
8 Quiksilver in a manner that is likely to cause confusion among ordinary purchasers  
9 as to the source, affiliation, connection or association between Kymsta's goods and  
10 Quiksilver or Quiksilver's QUIKSILVER ROXY products?

11                   Yes                    No \_\_\_\_\_

12                   *If your answer to Question No. 23 is "Yes" proceed to Question No.*

13   24. *If your answer to Question No. 23 is "No" proceed to Section 3.*

14                   24. Was Quiksilver harmed by Kymsta's infringement?

15                   Yes \_\_\_\_\_                   No \_\_\_\_\_

16                   *Proceed to Section 3.*

17                   **SECTION 3: KYMSTA'S COUNTERCLAIM**

18                   *If you answered "Yes" to Question No. 2 or Question No. 10, please have the  
19 foreperson sign and date the form and return to the courtroom. Otherwise,  
20 proceed to Question No. 25.*

21                   25. Is ROXYWEAR a valid, protectable mark?

22                   Yes \_\_\_\_\_                   No \_\_\_\_\_

23                   *If your answer to Question No. 25 is "Yes" proceed to Question No.*

24   26. *If your answer to Question No. 25 is "No" have the jury foreperson sign and  
25 date this form and return to the courtroom.*

26                   26. Does Kymsta own ROXYWEAR as a trademark?

27                   Yes \_\_\_\_\_                   No \_\_\_\_\_

1                   *If your answer to Question No. 26 is "Yes" proceed to Question No.*

2   27. *If your answer to Question No. 26 is "No" have the jury foreperson sign and*  
3   *date this form and return to the courtroom.*

4                   27. Did Quiksilver use the ROXY mark without the consent of  
5   Kymsta in a manner that is likely to cause confusion among ordinary purchasers as  
6   to the source, affiliation, connection or association between Quiksilver's goods and  
7   Kymsta or Kymsta's ROXYWEAR products?

8                   Yes \_\_\_\_\_                   No \_\_\_\_\_

9                   *If your answer to Question No. 27 is "Yes" proceed to Question No.*

10   28. *If your answer to Question No. 27 is "No" have the jury foreperson sign and*  
11   *date this form and return to the courtroom.*

12                   28. Was Kymsta harmed by Quiksilver's infringement?

13                   Yes \_\_\_\_\_                   No \_\_\_\_\_ "

14

15                   On March 19, 2008, the Court held a bench trial on Kymsta's equitable  
16   affirmative defenses and to determine the scope of injunctive relief, if any, to be  
17   awarded to Quiksilver. After receiving further evidence and hearing further  
18   argument from counsel, the Court found that neither laches nor unclean hands bars  
19   Quiksilver from obtaining prospective injunctive relief, and ordered that an  
20   injunction issue as described below.

21                   Accordingly, **IT IS HEREBY ORDERED, ADJUDGED AND**  
22   **DECREED** as follows:

23                   1. Judgment is entered in Quiksilver's favor and against Kymsta:  
24                   (a) Subject to Kymsta's third affirmative defense of statutory  
25   innocent use pursuant to 15 U.S.C. § 1115(b)(5), on Quiksilver's first  
26   claim for relief for trademark infringement based upon both  
27   Quiksilver's federally registered QUIKSILVER ROXY (Certificate of  
28   Registration No. 2,083,400) and ROXY (Certificate of Registration

1 No. 2,427,898) trademarks;

2 (b) On Quiksilver's second claim for relief for false  
3 designation of origin based upon both Quiksilver's common law  
4 QUIKSILVER ROXY and ROXY trademarks;

5 (c) On Kymsta's first, second, fourth, fifth, sixth, seventh,  
6 eighth and ninth affirmative defenses; and

7 (d) On Kymsta's Counterclaim for False Designation of  
8 Origin;

9 2. Quiksilver's federal registered trademarks -- QUIKSILVER  
10 ROXY (Certificate of Registration No. 2,083,400) and ROXY (Certificate of  
11 Registration No. 2,427,898) -- and Quiksilver's common law trademarks --  
12 QUIKSILVER ROXY and ROXY -- are deemed valid and protectable trademarks;

13 3. Quiksilver is deemed the senior user and owner of the  
14 QUIKSILVER ROXY and ROXY trademarks;

15 4. Quiksilver has the full right to the use and enjoyment of the  
16 QUIKSILVER ROXY and ROXY trademarks;

17 5. Kymsta's use of its "Roxywear by Roxanne Heptner,"  
18 "Roxywear by Roxx" and "Roxywear" marks constitutes a false designation of  
19 origin, in violation of 15 U.S.C. § 1125(a)(1)(A).

20 6. Kymsta and its directors, officers, employees and agents are  
21 hereby permanently enjoined and restrained, pursuant to 15 U.S.C. § 1116(a), from:

22 (a) Using, or permitting the use of, the "Roxywear by  
23 Roxanne Heptner", "Roxywear by Roxx" or "Roxywear" marks, or any  
24 other mark confusingly similar to Quiksilver's QUIKSILVER ROXY  
25 and ROXY trademarks, to market, sell, advertise and/or identify any  
26 clothing products;

27 (b) Falsely designating the origin of any clothing products by  
28 using, or permitting the use of, the "Roxywear by Roxanne Heptner",

1           “Roxywear by Roxx” or “Roxywear” marks, or any other mark  
2           confusingly similar to Quiksilver’s QUIKSILVER ROXY and ROXY  
3           trademarks.

4           (c)    Provided, however, that Kymsta shall be permitted, for a  
5           period of 18 months from the date of this Judgment, to continue to use  
6           the “Roxywear by Roxanne Heptner” and “Roxywear by Roxx” marks  
7           to market, sell and identify contemporary sportswear products, while it  
8           phases out all use of said marks;

9           7.       During the aforesaid 18-month phase out period, Kymsta and its  
10          directors, officers, employees and agents are hereby permanently enjoined and  
11          restrained from using, or permitting the use of, the “Roxywear by Roxanne  
12          Heptner” and “Roxywear by Roxx” marks to market, sell or identify any clothing  
13          products other than in the wholesale market for the sale of young women’s clothing  
14          to retail account buyers. Specifically, to designate the source and origin of the  
15          products and to avoid confusion in the marketplace during the 18-month phase out  
16          period, *inter alia*:

17           (a)    The term “Roxywear” must be displayed, presented,  
18           shown or otherwise used as one word, with all letters in the same font,  
19           same type-size, same color and same format;

20           (b)    One of the following identifiers must be conspicuously  
21           displayed whenever the term “Roxywear” is displayed, presented,  
22           shown or otherwise used: “by Roxanne Heptner,” “by Roxx,” or “by  
23           Kymsta”;

24           (c)    The “Roxywear by Roxanne Heptner” and “Roxywear by  
25           Roxx” marks shall only be displayed, presented, shown or used on the  
26           interior labels affixed to the inside of any article of clothing, and  
27           specifically shall not be displayed, presented, shown or used on the  
28           outside of any article of clothing, such as imprinting on or

1 incorporating in the design of the fabric the "Roxywear by Roxanne  
2 Heptner" or "Roxywear by Roxx" marks as a logo or brand or using  
3 the "Roxywear by Roxanne Heptner" or "Roxywear by Roxx" marks  
4 on any badging, tags or labels affixed to the outside of any article of  
5 clothing;

6 (d) Clothing bearing the "Roxywear by Roxanne Heptner" or  
7 "Roxywear by Roxx" marks shall only be sold through Kymsta's  
8 current channels of distribution;

9 (e) Clothing bearing the "Roxywear by Roxanne Heptner" or  
10 "Roxywear by Roxx" marks shall not be advertised or promoted to  
11 consumers, except through co-op advertisements placed directly by  
12 retailers;

13 8. Further, Kymsta and its directors, officers, employees and  
14 agents are hereby permanently enjoined and restrained from selling or licensing or  
15 assigning to any third party any rights in or to the "Roxywear by Roxanne  
16 Heptner", "Roxywear by Roxx" or "Roxywear" marks.

17  
18 DATED: April 15, 2008

*Valerie Baker Fairbank*

20 Honorable Valerie Baker Fairbank  
United States District Court Judge